

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>RIDGEWAY TOWNSHIP</b>	County <b>LENAWEE</b>
Audit Date <b>MARCH 31, 2005</b>	Opinion Date <b>MAY 26, 2005</b>	Date Accountant Report Submitted to State: <b>SEPTEMBER 6, 2005</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

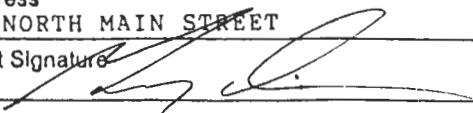
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

### We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) <b>ROBERTSON, EATON &amp; OWEN, P.C.</b>			
Street Address <b>121 NORTH MAIN STREET</b>	City <b>ADRIAN</b>	State <b>MI</b>	ZIP <b>49221</b>
Accountant Signature 			

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2005**

**WITH  
INDEPENDENT AUDITORS' REPORT**

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN  
INDEPENDENT AUDITORS' REPORT  
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**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended March 31, 2005**

As management of Ridgeway Township, Lenawee County, Michigan, we offer readers of Ridgeway Township, Lenawee County, Michigan's financial statements this narrative overview and analysis of the financial activities of Ridgeway Township, Lenawee County, Michigan for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here.

**Financial Highlights**

- The assets of Ridgeway Township, Lenawee County, Michigan exceeded its liabilities at the close of the most recent fiscal year \$2,048,554 (*net assets*). Of this amount, \$463,058 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased \$160,351. This increase is attributable, in a large part, to less funds spent on roads and bridges.
- As of the close of the current year, Ridgeway Township, Lenawee County, Michigan's governmental fund (General Fund) reported an ending fund balance of \$488,570, a decrease of \$(70,351) in comparison with the prior year.
- At the end of the current year, unreserved fund balance for the General Fund was \$213,556 or 109 percent of total General Fund expenditures, excluding capital outlay expense of \$256,881.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Ridgeway Township, Lenawee County, Michigan's basic financial statements. Ridgeway Township, Lenawee County, Michigan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Ridgeway Township, Lenawee County, Michigan's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Ridgeway Township, Lenawee County, Michigan's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Ridgeway Township, Lenawee County, Michigan is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Ridgeway Township, Lenawee County, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Ridgeway Township, Lenawee County, Michigan include general government, public safety, roads and bridges, and cemetery operations. The business-type activity of Ridgeway Township, Lenawee County, Michigan includes the sewer system.

The government-wide financial statements can be found on pages 3 – 5 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that been segregated for specific activities or objectives. Ridgeway Township, Lenawee County, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Ridgeway Township, Lenawee County, Michigan can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Ridgeway Township, Lenawee County, Michigan maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund which is considered to be a major fund.

Ridgeway Township, Lenawee County, Michigan adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 6 – 9 of this report.

*Proprietary Fund.* Ridgeway Township, Lenawee County, Michigan maintains one type of Proprietary Fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Ridgeway Township, Lenawee County, Michigan uses an Enterprise Fund to account for its Sewer Fund.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The Proprietary Fund financial statements provide separate information for the Sewer Fund, which is considered to be major fund of Ridgeway Township, Lenawee County, Michigan.

The basic fund financial statements can be found on pages 10 – 12 of this report.

*Fiduciary Fund.* The Fiduciary Fund is used to account for resources held under tax collection activity. The Fiduciary fund is *not* reflected in the government-wide financial statement. The accounting used for the Fiduciary Fund is much like that used for Proprietary Funds.

The basic fiduciary fund financial statements can be found on page 13 – 14 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 – 23 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Ridgeway Township, Lenawee County, Michigan, assets exceeded liabilities by \$2,048,554 at the close of the most recent fiscal year.

By far the largest portion of Ridgeway Township, Lenawee County, Michigan's net assets (64 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. Ridgeway Township, Lenawee County, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Ridgeway Township has no debt related to capital assets.

### Ridgeway Township, Lenawee County, Michigan's Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 491,263	\$ 274,590	\$ 765,853
Capital assets	<u>1,099,396</u>	<u>211,086</u>	<u>1,310,482</u>
Total assets	<u>\$ 1,590,659</u>	<u>\$ 485,676</u>	<u>\$ 2,076,335</u>
Other liabilities	<u>\$ 2,693</u>	<u>\$ 25,088</u>	<u>\$ 27,781</u>
Total liabilities	<u>2,693</u>	<u>25,088</u>	<u>27,781</u>
<b>Net assets:</b>			
Invested in capital assets	1,099,396	211,086	\$ 1,310,482
Restricted	275,014		275,014
Unrestricted	<u>213,556</u>	<u>249,502</u>	<u>463,058</u>
Total net assets	<u>\$ 1,587,966</u>	<u>\$ 460,588</u>	<u>\$ 2,048,554</u>

A portion of Ridgeway Township, Lenawee County, Michigan's net assets (14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$463,058) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Ridgeway Township, Lenawee County, Michigan is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

#### Financial Analysis of the Government's Funds

As noted earlier, Ridgeway Township, Lenawee County, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Ridgeway Township, Lenawee County, Michigan's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Ridgeway Township, Lenawee County, Michigan's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

As of the end of the current fiscal year, Ridgeway Township, Lenawee County, Michigan's governmental fund (General Fund) reported combined ending fund balance of \$488,570, a decrease of (\$70,351) in comparison with the prior year.

The General Fund is the chief operating fund of Ridgeway Township, Lenawee County, Michigan. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$213,556.

The fund balance of Ridgeway Township, Lenawee County, Michigan's General Fund decreased by (\$70,351) during the current fiscal year. A key factor in this decrease was the purchase of fire equipment, especially a new tanker. The total capital outlay for fire was \$256,881.

**Proprietary Fund** - Ridgeway Township, Lenawee County, Michigan's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer Fund at the end of the year amounted to \$249,502.

#### **General Fund Budgetary Highlights**

The two adjustments to the General Fund budget were:

1. Fire protection budget increased \$248,782 to include purchase of new tanker.
2. Election budget increased \$1,461 to include election required by State for schools and Village.

#### **Capital Asset and Debt Administration**

**Capital assets.** Ridgeway Township, Lenawee County, Michigan's investment in capital assets for its governmental and business-type activities as of March 31, 2005, amounts to \$1,310,482 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility system, equipment and fire vehicles, and furnishings. The total increase in Ridgeway Township, Lenawee County, Michigan's investment in capital assets for the current fiscal year was \$256,881.

Major capital purchases during the current fiscal year were a new tanker and fire equipment totaling \$256,881.

#### **Ridgeway Township, Lenawee County, Michigan's Capital Assets**

	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>
Land	\$ 27,000	\$	\$ 27,000
Buildings	291,093		291,093
Furnishings	14,333		14,333
Equipment and vehicles	766,970		766,970
Sewer system		211,086	211,086
Total	<u>\$ 1,099,396</u>	<u>\$ 211,086</u>	<u>\$ 1,310,482</u>

Additional information on Ridgeway Township's capital assets can be found in Note 3. C. on pages 22 and 23.



### **Economic Factors and Next Year's Budgets and Rates**

The budget for fiscal year 2005-06 was based on prior year figures, assuming revenues will be at the same level as prior year including State revenues.

Expenditures were budgeted similar to prior year except road projects were budgeted higher to cover current year projects and projects not done in prior year. Township officials' compensation was adjusted to make them comparable to similar townships.

### **Requests for Information**

This financial report is designed to provide a general overview of Ridgeway Township, Lenawee County, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ridgeway Township, 204 West Chicago Boulevard, Britton, Michigan 49229.

May 26, 2005

## INDEPENDENT AUDITORS' REPORT

Ridgeway Township  
Lenawee County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Ridgeway Township, Lenawee County, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ridgeway Township, Lenawee County, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Ridgeway Township, Lenawee County, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of April 1, 2004.

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May 26, 2005

Ridgeway Township  
Lenawee County, Michigan

The management's discussion and analysis on pages i through vi is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

***Robertson, Eaton & Owen, P.C.***

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF NET ASSETS**

**March 31, 2005**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 230,757	\$ 204,061	\$ 434,818
Taxes receivable	17,538		17,538
Accounts receivable	10,000	5,831	15,831
Special assessments receivables		24,177	24,177
Due from tax collection	266,228	7,261	273,489
Internal balances	(33,260)	33,260	
<b>Capital assets:</b>			
Land	27,000		27,000
Buildings	398,758		398,758
Furnishings	20,000		20,000
Equipment and vehicles	1,063,989		1,063,989
Sewer system		673,086	673,086
Less: Accumulated depreciation	<u>(410,351)</u>	<u>(462,000)</u>	<u>(872,351)</u>
Total assets	<u>\$ 1,590,659</u>	<u>\$ 485,676</u>	<u>\$ 2,076,335</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 2,693	\$ 911	\$ 3,604
Deferred revenue – special assessment		<u>24,177</u>	<u>24,177</u>
Total liabilities	<u>2,693</u>	<u>25,088</u>	<u>27,781</u>
<b>NET ASSETS:</b>			
Invested in capital assets	1,099,396	211,086	1,310,482
<b>Restricted for:</b>			
Roads and bridges	272,125		272,125
Street lighting	2,889		2,889
Unrestricted	<u>213,556</u>	<u>249,502</u>	<u>463,058</u>
Total net assets	<u>\$ 1,587,966</u>	<u>\$ 460,588</u>	<u>\$ 2,048,554</u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF ACTIVITIES**

**For the Year Ended March 31, 2005**

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 110,672	\$ 10,294	\$	\$
Public safety	75,191		17,000	10,000
Roads and bridges	46,411			
Cemetery	5,797			
Other	<u>159</u>	<u></u>	<u></u>	<u></u>
Total governmental activities	<u>238,230</u>	<u>10,294</u>	<u>17,000</u>	<u>10,000</u>
Business-Type activities:				
Sewer Fund	<u>22,396</u>	<u>18,796</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>22,396</u>	<u>18,796</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 260,626</u>	<u>\$ 29,090</u>	<u>\$ 17,000</u>	<u>\$ 10,000</u>

**General Revenues:**

Property taxes  
Intergovernmental – State  
Permits  
Rent  
Unrestricted investment earnings  
Miscellaneous  
Special assessments  
Tap-in fees

Total general revenues

Change in net assets

Net assets – beginning of year

Adjustment for deferred revenue – special assessment

Net assets – end of year

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**  
**Primary Government**

<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
\$ (100,378)	\$	\$ (100,378)
(48,191)		(48,191)
(46,411)		(46,411)
(5,797)		(5,797)
<u>(159)</u>	<u></u>	<u>(159)</u>
(200,936)	-	(200,936)
<u></u>	<u>(3,600)</u>	<u>(3,600)</u>
<u></u>	<u>(3,600)</u>	<u>(3,600)</u>
<u>\$ (200,936)</u>	<u>\$ (3,600)</u>	<u>\$ (204,536)</u>
\$ 271,561	\$	\$ 271,561
53,031		53,031
7,900	675	8,575
2,300		2,300
3,514	2,072	5,586
6,864		6,864
	4,970	4,970
<u></u>	<u>12,000</u>	<u>12,000</u>
<u>345,170</u>	<u>19,717</u>	<u>364,887</u>
144,234	16,117	160,351
1,443,732	455,459	1,899,191
<u></u>	<u>(10,988)</u>	<u>(10,988)</u>
<u>\$ 1,587,966</u>	<u>\$ 460,588</u>	<u>\$ 2,048,554</u>

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**BALANCE SHEET**

**GOVERNMENTAL FUND**

**March 31, 2005**

	<u><b>General Fund</b></u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 230,757
Accounts receivable	27,538
Due from other funds	<u>266,228</u>
Total assets	<u><u>\$ 524,523</u></u>
<b>LIABILITIES:</b>	
Accounts payable	\$ 2,693
Due to other funds	<u>33,260</u>
Total liabilities	<u><u>35,953</u></u>
<b>FUND BALANCE:</b>	
<b>Reserved for:</b>	
Roads and bridges	272,125
Street lighting	2,889
Unreserved	<u>213,556</u>
Total fund balance	<u><u>488,570</u></u>
Total liabilities and fund balance	<u><u>\$ 524,523</u></u>
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	<u><u>\$ 1,099,396</u></u>
Net differences	1,099,396
Total fund balance in governmental fund	<u><u>488,570</u></u>
Total net assets of governmental activities	<u><u>\$ 1,587,966</u></u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**

**GOVERNMENTAL FUND**

**For the Year Ended March 31, 2005**

	<u><b>General Fund</b></u>
<b>Revenues:</b>	
Property taxes	\$ 271,561
Licenses, permits and fees	18,194
Intergovernmental revenues	53,031
Donations	27,000
Interest	3,514
Miscellaneous revenues	<u>9,164</u>
Total revenues	<u>382,464</u>
<b>Expenditures:</b>	
<b>Current:</b>	
General government	106,877
Public safety	38,754
Roads and bridges	46,411
Other	3,892
<b>Capital outlay:</b>	
Fire protection	<u>256,881</u>
Total expenditures	<u>452,815</u>
Net change in fund balance	(70,351)
Fund balance – beginning of year	<u>558,921</u>
Fund balance – end of year	<u>\$ 488,570</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balance – total governmental fund	\$ (70,351)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Total capital outlay \$ 256,881 less total depreciation \$42,296).	<u>214,585</u>
Change in net assets in governmental activities	<u>\$ 144,234</u>



**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL**

**For the Year Ended March 31, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>Revenues:</b>				
Property taxes – general	\$ 38,187	\$ 38,187	\$ 40,645	\$ 2,458
Property taxes – Fire Department	61,338	61,338	69,788	8,450
Property taxes – roads and bridges	102,237	102,237	158,448	56,211
Property taxes – street lights	<u>2,680</u>	<u>2,680</u>	<u>2,680</u>	
Total property taxes	<u>204,442</u>	<u>204,442</u>	<u>271,561</u>	<u>67,119</u>
<b>Licenses, permits and fees:</b>				
Tax collection fees	9,698	9,698	10,294	596
Permits	<u>5,230</u>	<u>5,230</u>	<u>7,900</u>	<u>2,670</u>
Total licenses, permits and fees	<u>14,928</u>	<u>14,928</u>	<u>18,194</u>	<u>3,266</u>
<b>Intergovernmental revenues:</b>				
State sales tax	63,605	63,605	50,917	(12,688)
Metro Act	<u>2,200</u>	<u>2,200</u>	<u>2,114</u>	<u>(86)</u>
Total intergovernmental revenues	<u>65,805</u>	<u>65,805</u>	<u>53,031</u>	<u>(12,774)</u>
<b>Miscellaneous revenues:</b>				
Township Hall rent	2,250	2,250	2,300	50
Miscellaneous	<u>3,600</u>	<u>3,600</u>	<u>6,864</u>	<u>3,264</u>
Total miscellaneous	<u>5,850</u>	<u>5,850</u>	<u>9,164</u>	<u>3,314</u>
Donations	<u>17,000</u>	<u>17,000</u>	<u>27,000</u>	<u>10,000</u>
Interest	<u>1,425</u>	<u>1,425</u>	<u>3,514</u>	<u>2,089</u>
Total revenues	<u>309,450</u>	<u>309,450</u>	<u>382,464</u>	<u>73,014</u>
<b>Expenditures:</b>				
<b>General Government</b>				
Township Board	69,000	69,000	54,361	14,639
Supervisor	20,800	20,800	20,236	564
Clerk	10,000	10,000	9,237	763
Treasurer	9,600	9,600	7,940	1,660
Township Hall and grounds	18,000	18,000	8,992	9,008
Election	2,500	3,961	3,961	
Aid to others	<u>2,500</u>	<u>2,500</u>	<u>2,150</u>	<u>350</u>
Total General Government	<u>132,400</u>	<u>133,861</u>	<u>106,877</u>	<u>26,984</u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL**

**For the Year Ended March 31, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
Total expenditures carried forward	\$ 132,400	\$ 133,861	\$ 106,877	\$ 26,984
<b>Public safety:</b>				
Fire protection	51,325	51,325	33,364	17,961
Building inspector	2,800	2,800	2,971	(171)
Street lighting	<u>2,680</u>	<u>2,680</u>	<u>2,419</u>	<u>261</u>
Total public safety	<u>56,805</u>	<u>56,805</u>	<u>38,754</u>	<u>18,051</u>
<b>Roads and bridges:</b>				
Roads and bridges	98,837	98,837	43,064	55,773
Drain at large	<u>3,400</u>	<u>3,400</u>	<u>3,347</u>	<u>53</u>
Total roads and bridges	<u>102,237</u>	<u>102,237</u>	<u>46,411</u>	<u>55,826</u>
<b>Capital outlay:</b>				
Public safety - fire protection	<u>15,000</u>	<u>263,782</u>	<u>256,881</u>	<u>6,901</u>
<b>Other:</b>				
Cemetery	7,000	7,000	3,733	3,267
Miscellaneous	<u></u>	<u></u>	<u>159</u>	<u>(159)</u>
Total other	<u>7,000</u>	<u>7,000</u>	<u>3,892</u>	<u>3,108</u>
Total expenditures	<u>313,442</u>	<u>563,685</u>	<u>452,815</u>	<u>110,870</u>
Net change in fund balance	(3,992)	(254,235)	(70,351)	183,884
Fund balance – beginning of year			<u>558,921</u>	
Fund balance – end of year			<u>\$ 488,570</u>	

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF NET ASSETS**

**PROPRIETARY FUND**

**March 31, 2005**

	<b>Business-Type Activities – Enterprise Fund</b>
	<b><u>Sewer Fund</u></b>
<b>ASSETS:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 204,061
<b>Receivables:</b>	
Sewer usage	5,831
Special assessment	24,177
Due from other funds	<u>40,521</u>
Total current assets	<u>274,590</u>
<b>Capital assets:</b>	
Sewer system	673,086
Less: Accumulated depreciation	<u>(462,000)</u>
Total capital assets – net	<u>211,086</u>
Total noncurrent assets	<u>211,086</u>
Total assets	<u><u>\$ 485,676</u></u>
<b>LIABILITIES:</b>	
<b>Current liabilities:</b>	
Accounts payable	<u>\$ 911</u>
Total current liabilities	<u>911</u>
<b>Noncurrent liabilities:</b>	
Deferred revenue	<u>24,177</u>
Total noncurrent liabilities	<u>24,177</u>
Total liabilities	<u>25,088</u>
<b>NET ASSETS:</b>	
Invested in capital assets	211,086
Unrestricted	<u>249,502</u>
Total net assets	<u><u>\$ 460,588</u></u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

**PROPRIETARY FUND**

**For the Year Ended March 31, 2005**

	<b>Business-Type Activities – <u>Enterprise Fund</u></b>
	<b><u>Sewer Fund</u></b>
<b>Operating revenues:</b>	
Sewer usage fee	\$ 18,796
Other – permit income	<u>675</u>
Total operating revenues	<u>19,471</u>
<b>Operating expenses:</b>	
Operating and maintenance	3,146
Depreciation	<u>19,250</u>
Total operating expenses	<u>22,396</u>
Operating loss	<u>(2,925)</u>
<b>Nonoperating revenues:</b>	
Special assessments	4,970
Sewer tap-in	2,072
Interest income	<u>12,000</u>
Total nonoperating revenues	<u>19,042</u>
Change in net assets	16,117
Total net assets – beginning of year	455,459
Adjustment for special assessment deferred revenue	<u>(10,988)</u>
Total net assets – end of year	<u><u>\$ 460,588</u></u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUND**

**For the Year Ended March 31, 2005**

**INCREASE IN CASH AND CASH EQUIVALENTS**

	<b>Business-Type Activities – Enterprise Fund</b>
	<b><u>Sewer Fund</u></b>
<b>Cash flows from operating activities:</b>	
Sewer usage	\$ 12,984
Permits	675
Operating and maintenance	<u>(2,548)</u>
Net cash provided by operating activities	<u>11,111</u>
<b>Cash flows from capital and related financing activities:</b>	
Special assessment	9,687
Sewer tap-in fees	<u>12,000</u>
Net cash provided by capital and related financing activities	<u>21,687</u>
<b>Cash flows from investing activities:</b>	
Interest	<u>2,072</u>
Net increase in cash and cash equivalents	34,870
Cash and cash equivalents – beginning of year	<u>169,191</u>
Cash and cash equivalents – end of year	<u><u>\$ 204,061</u></u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$	\$ (2,925)
<b>Adjustments to reconcile loss from operations to net cash provided by operating activities:</b>		
Depreciation	19,250	
<b>Changes in assets and liabilities:</b>		
(Increase) decrease in receivables	(5,812)	
Due from other funds	185	
Increase (decrease) in accounts payable	<u>413</u>	
Total adjustments		<u>14,036</u>
Net cash provided by operating activities		<u><u>\$ 11,111</u></u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**STATEMENT OF FIDUCIARY NET ASSETS**

**FIDUCIARY FUND**

**March 31, 2005**

	<u><b>AGENCY FUND</b></u>
	<b>Tax Collection Fund</b>
<b>ASSETS:</b>	
Cash	\$ 273,490
Total assets	<u>\$ 273,490</u>
<b>LIABILITIES:</b>	<u>\$ 273,490</u>
Due to other funds	
Total liabilities	<u>\$ 273,490</u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**TAX COLLECTION FUND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**For the Year Ended March 31, 2005**

	<b><u>Balance</u></b> <b><u>April 1, 2004</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>March 31, 2005</u></b>
<b><u>ASSETS</u></b>				
Cash	\$ 267,675	\$ 1,118,529	\$ 1,112,714	\$ 273,490
Total assets	<u>\$ 267,675</u>	<u>\$ 1,118,529</u>	<u>\$ 1,112,714</u>	<u>\$ 273,490</u>
 <b><u>LIABILITIES</u></b>				
Due to other funds	\$ 206,196	\$ 289,547	\$ 222,253	\$ 273,490
Due to other governmental units	<u>61,479</u>	<u>828,982</u>	<u>890,461</u>	<u>          </u>
Total liabilities	<u>\$ 267,675</u>	<u>\$ 1,118,529</u>	<u>\$ 1,112,714</u>	<u>\$ 273,490</u>

The notes to the financial statements are an integral part of this statement.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Ridgeway Township, Lenawee County, Michigan (Township) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

Effective April 1, 2004, Ridgeway Township, Lenawee County, Michigan implemented the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Significant changes in the statement include the following:

- ◆ A Management's Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations has been included with the financial statements.
- ◆ Financial statements prepared using full accrual accounting for all of the Township's activities.
- ◆ A change in the fund financial statements to focus on the major fund.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). Ridgeway Township has elected to implement the general provisions of the statement.

**A. Reporting Entity**

The Township of Ridgeway is a noncharter township, governed by a Board of Trustees. As required by generally accepted accounting principles, these financial statements present Ridgeway Township as a primary government. There are no component units to the Township.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements categorize primary activities as either governmental or business-type. All of the Township's activities are classified as governmental activities. Amounts reported in the funds as interfund receivables and payables are eliminated in the governmental activities column of the statement of net assets. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net assets as receivable from or payable to external parties, rather than as internal balances. Therefore, all internal balances are eliminated in the total primary government column.



**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary fund, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund (General Fund) is reported as a separate column in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**The government reports the following major governmental fund:**

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**Additionally, the government reports the following fiduciary fund types:**

The *Tax Collection Fund* is used to account for assets held by the Township as an agent for other governments, and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of the following subsequent private-sector guidance for their business-type activity (Sewer Fund), subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments of utility charges between the Township's sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

Amounts reported as *program revenues* included 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Assets, liabilities, and net assets or equity.**

**1. Cash and investments**

Cash includes amounts in cash on hand, demand deposits.

The Township had no investment classification at year-end.

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Township had no advances between funds at March 31, 2005.

Personal property taxes receivable is shown net of an allowance for uncollectibles.

The Township property tax is levied on each December 1 on the taxable value of property located in the Township as of the preceding December 31.

The Township's 2004 ad valorem tax was levied and collectible on December 1, 2004. It is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are made available for the financing of Township operations. Payment from the County Delinquent Tax Fund, which purchases the 2004 delinquent real property taxes, is recorded as a receivable and recognized as revenue in the current fiscal year.

The 2004 taxable value of Ridgeway Township totaled \$46,525,533. The Township levied 0.8736 mills (Tax, \$40,645) for general operating; levied 3.4056 mills for roads and bridges (Tax, \$158,448); and levied 1.5000 mills for fire operating (Tax, \$69,788).

**3. Reserved fund balances**

Due to the restricted uses of property taxes collected for fire operating, roads and bridges, and an assessment for street lighting, the fund balance of the General Fund is reserved for the unexpended portions of property taxes in these areas.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Equipment and vehicles	10 – 30
Furnishings	30
Sewer system	35

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary information**

The accounting basis used by the Township for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Township follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Township have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

**B. Excess of expenditures over appropriations in budgetary funds**

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2005, the Township incurred expenditures in the General Fund which were in excess of the amounts appropriated, as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
<b>General Fund</b>			
<b>Public Safety:</b>			
Building inspector	\$ 2,800	\$ 2,371	\$ 171
<b>Other:</b>			
Miscellaneous	-	159	159

These additional expenditures were funded by greater than anticipated revenues in the General Fund.

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 3. DETAILED NOTES ON ALL FUNDS**

**A. Deposits**

**Deposits.** At year end, the carrying value of the Township's deposits was \$496,347 and the bank balance was \$765,052. The total bank balance is classified in the following three categories of credit risk: (1) Insured or collateralized with securities held by the Township or by its agent in the Township's name. (2) Collateralized with securities held by a pledging financial institution's trust department or agent in the Township's name. (3) Uncollateralized. (This includes any bank balance that is collateralized with securities held by a pledging financial institution or by its trust department or agent but not in the Township's name.)

Due to higher cash flows during certain times of the year, especially when property taxes are being collected, deposits of the Township increase significantly. As a result, the amounts classified in category 3 at those times of year were substantially higher than at year end.

	<u>CATEGORIES</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Total</u>
Checking accounts	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 665,052</u>	<u>\$ 765,052</u>

Bank balances shown in Category 1 are insured by Federal Depository Insurance.

All deposits are with banks located in Michigan as required by statutes.

**B. Receivables**

Receivables as of year end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Sewer</u>	<u>Total</u>
<b>Receivables:</b>			
Taxes	\$ 17,538	\$	\$ 17,538
Accounts		5,831	5,831
Special assessments		24,177	24,177
Intergovernmental donation	<u>10,000</u>		<u>10,000</u>
Gross receivables	27,538	30,008	57,546
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 27,538</u>	<u>\$ 30,008</u>	<u>\$ 57,546</u>

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital assets**

Capital asset activity for the year ended March 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 27,000	\$	\$	\$ 27,000
Total capital assets, not being depreciated	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
Capital assets, being depreciated:				
Buildings	398,758			398,758
Furnishings	20,000			20,000
Equipment and vehicles	<u>807,108</u>	<u>256,881</u>		<u>1,063,989</u>
Total capital assets, being depreciated	<u>1,225,866</u>	<u>256,881</u>	<u>-</u>	<u>1,482,747</u>
Less: Accumulated depreciation for:				
Buildings	99,690	7,975		107,665
Furnishings	5,000	667		5,667
Equipment and vehicles	<u>263,365</u>	<u>33,654</u>		<u>297,019</u>
Total accumulated depreciation	<u>368,055</u>	<u>42,296</u>	<u>-</u>	<u>410,351</u>
Total capital assets, being depreciated, net	<u>857,811</u>	<u>214,585</u>	<u>-</u>	<u>1,072,396</u>
Governmental activities, capital assets – net	<u>\$ 884,811</u>	<u>\$ 214,585</u>	<u>\$ -</u>	<u>\$ 1,099,396</u>

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Sewer system	\$ 673,086	\$	\$	\$ 673,086
Total capital assets, being depreciated	<u>673,086</u>	<u>-</u>	<u>-</u>	<u>673,086</u>
Less: Accumulated depreciation for:				
Sewer system	<u>442,750</u>	<u>19,250</u>	<u>-</u>	<u>462,000</u>
Total accumulated depreciation	<u>442,750</u>	<u>19,250</u>	<u>-</u>	<u>462,000</u>
Total capital assets, being depreciated – net	<u>\$ 230,336</u>	<u>\$ (19,250)</u>	<u>\$ -</u>	<u>\$ 211,086</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 3,795
Public safety	36,437
Cemetery	<u>2,064</u>
Total depreciation expense – governmental activities	<u>\$ 42,296</u>
<b>Business-type activities:</b>	
Sewer system	<u>\$ 19,250</u>
Total depreciation expense – business-type activities	<u>\$ 19,250</u>

**D. Interfund receivables, payables, and transfers**

Due to/from other funds:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 266,228	Tax Collection	\$ 266,228
Sewer	7,262	Tax Collection	7,262
Sewer	<u>33,260</u>	General	<u>33,260</u>
	<u>\$ 306,750</u>		<u>\$ 306,750</u>

**RIDGEWAY TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2005**

**NOTE 4. ACTIVITY IN RESERVED FUNDS**

The following summary is provided for Roads and Bridges Funds; Fire Funds; and Street Lighting Funds:

	<u>Roads and Bridges</u>	<u>Fire</u>	<u>Street Lighting</u>	<u>Total</u>
<b>Revenues:</b>				
Property taxes	\$ 158,448	\$ 69,788	\$ 2,680	\$ 230,916
Donations	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>
Total revenues	<u>158,448</u>	<u>96,788</u>	<u>2,680</u>	<u>257,916</u>
<b>Expenditures:</b>				
<b>Fire Protection:</b>				
Salaries	\$	\$ 14,893	\$	\$ 14,893
Supplies		10,078		10,078
Telephone		1,459		1,459
Utilities		263		263
Repairs and maintenance		440		440
Miscellaneous		6,231		6,231
<b>Capital outlay:</b>				
Vehicles and equipment		256,881		256,881
Roads and bridges	43,064			43,064
Street lighting	<u>2,419</u>	<u>2,419</u>	<u>2,419</u>	<u>2,419</u>
Total expenditures	<u>43,064</u>	<u>290,245</u>	<u>2,419</u>	<u>335,728</u>
Excess (deficiency) of revenues over (under) expenditures	115,384	(193,457)	261	(77,812)
Reserved fund balance - beginning of year	156,741	101,445	2,628	260,814
General Fund contributions	<u>92,012</u>	<u>92,012</u>	<u>92,012</u>	<u>92,012</u>
Reserved fund balance - end of year	<u>\$ 272,125</u>	<u>\$ -</u>	<u>\$ 2,889</u>	<u>\$ 275,014</u>